

LETTER FROM CANBERRA

Saving you time. A monthly newsletter distilling public policy and government decisions which affect business opportunities in Australia and beyond.



5 JULY TO 7 AUGUST 2009 Issue No. 16: Post Ute-Gate/GFC Edition (Hopefully)

Letter From Canberra is a sister publication of *Letter From Melbourne*, which was established 16 years ago

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freezes wages

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Health system
suggested
changes. A big
job.

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WELCOME

Letter from Canberra is focused on the interface of business and government, with enough politics and bureaucracy to understand the, or any, relevant business opportunities.

We have been publishing *Letter from Canberra's* sister publication *Letter From Melbourne*, a public policy digest, for 16 years. Commencing with the Kennett era corporatisation and privatisation of energy and other utilities and the other fresh broom approach of a new government, where we focused on business opportunities. Increasingly, we included matters in the other states and adopted a more federal focus.

The recent change in federal government opens up new business opportunities, particularly the government's new emphasis on climate change, carbon trading, water, industrial relations, education, information technology and the traditional sectors.

For many years, our other publications have included the well-known federal government Departmental Wall Chart. (NOW AVAILABLE at 03 96541300 or letterfrommelbourne.com.au) We conduct seminars and informal luncheons and meetings in Melbourne, Canberra and Sydney.

Most people have their clipping services and a range of email products/newsletters/etc. At the end of the month, *Letter From Canberra* gives a broad overview of what has been going on, not just in one industry but across all industries and the world of business and government generally. Objective. Independent. Read it on the plane. Or at a coffee shop in New York. And then give it to a friend who is interested in Australia.

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EDITORIAL

Q&A is an ABC TV weekly event, vintage on Thursday 6 August, when Deputy prime minister Julia Gillard and Opposition leader Malcolm Turnbull were on the panel with the whole audience, and three of the six person panel, being under 25.

As the two leaders debated the rights and wrongs of Ute-Gate on the head of a pin, **NextGen** said 'Move On', that Ute-Gate was distracting from bigger issues such as education and health and almost everything else.

The **International Student Crisis**, ISC, linked as it is with immigration and international trade, is an awakening difficulty for Australia, the gravity still to flow through.

Camels hit the headlines for a day or so in the Australian press and became a news/mockstory/spoof in the United States media, when Prime Minister Rudd featured. When discussing how to get rid of them/perhaps shoot them from the air, a commentator asked, 'Do they have an airforce down there, (in Australia)'. Away from that item, most Australians would not know that we have one million camels in Australia, most of them not in zoos, and that apart from the environmental issue, they perhaps have the potential to be a greater resource for the benefit of regional Australia and others.

Parliament starts again on Tuesday. **Note our new special subscription to Letter From Canberra package on the back page.**

ABOUT THE EDITOR

ALISTAIR URQUHART



Alistair Urquhart graduated from the Australian National University in Canberra, in Law, History and Politics, was admitted as a barrister and solicitor of the Supreme Court of Victoria, and remains a (non-practicing) member of the Law Institute of Victoria. Before that, he graduated from high school in Bethesda, Maryland, and had many opportunities to become aware of the workings of Washington DC. For 30 years, he listened every Sunday evening to the late Alistair Cooke and his *Letter From America*.

His early career was mostly in the coal industry, where he became involved with energy, environmental and water issues, and later in the SME finance sector.

His public affairs firm works with many engineering and information technology firms, other professional association and industry groups, on a wide range of issues, in Victoria, Canberra and overseas.

Urquhart visits Canberra regularly. He may hold the record for miles rowed on Canberra's Lake Burley Griffin.

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FOREIGN AFFAIRS

Vale

Australian trade commissioner **Craig Senger** was killed in the Jakarta hotel bombings. It is the first time an Australian diplomat has been killed by a terrorist bomb and the second one to be killed on duty. (The other was executed in Singapore circa 1941 and his nephew Charles Bowden works with Austrade today). Recruitment specialist **Nathan Verity** was also killed, along with another Australian. All in all, nine people were killed and more than 50 injured.

Stern approach

An Australian executive of mining company Rio Tinto is being held in China on suspicion of being a spy and stealing state secrets. Foreign Affairs Minister **Stephen Smith** confirmed that the Australian citizen, **Stern Hu**, was one of four Rio Tinto employees being held by Chinese officials with Beijing saying he had caused 'huge loss' to China's economic interests by stealing state secrets. Chinalco launched an attack on Rio's integrity as the spy allegations threatened to derail the political and perhaps even the economic relationship between the two countries, *The Age* reported. **Kevin Rudd** said the Government would adopt a measured approach in dealing with the Chinese government over the issue. As Stern Hu continued to be held in a Chinese prison, the pressure on Foreign Minister **Stephen Smith** and **Kevin Rudd** to intervene directly with their counterparts increased and might become irresistible according to *The Australian's* foreign editor **Greg Sheridan**. The Government had a series of meetings with China's acting ambassador, **Zuozhang Liu**. On the opinion pages of *The Australian*, **Glen Milne** wrote **Kevin Rudd's** failure to manage China will thwart his vain security council ambitions. Beijing's envoy to Canberra, **Zhang Junsai**, says the case of Stern Hu is a one-off incident that has not hurt bilateral relations or his country's reputation. 'Competent authorities in China will handle this case in accordance with Chinese law, and the two governments will deal with related issues on the basis of the bilateral consular agreement,' he said.

Can't take a trick

Hugh Borrowman— the man **Kevin Rudd** barred from a top diplomatic post in Germany — has now been forced to pull out the ambassador's role he was appointed to in Sweden because his disabled adult son could not maintain his status as a disability support pensioner had he taken the Sweden post. If Borrowman's appointment to Germany had gone ahead, a treaty between the two countries would have ensured his son kept his entitlements. Australia has no equivalent social security arrangements with Sweden, *The Age* reported.

Saint Kevin

The Age reported that people smuggling, climate change and the international recession dominated **Kevin Rudd's** week-long overseas trip which began with talks in Malaysia in early July. He then went on to Berlin to press Australia's claims to host the World Cup with soccer chief **Sepp Blatter**. The main purpose of his trip was to attend a major economies climate change forum in Italy. The meeting discussed greenhouse gas emissions targets, the transfer of technology and financial assistance for developing countries to help them reduce emissions. While in Italy Rudd met the Pope for half-an-hour, and pushed the cause of Australia's **Mary McKillop** for sainthood. He gave the Pope a copy of the Australian Parliament's motion of apology to the stolen generations and six bottles of De Bortoli Noble One desert wine in a small wooden crate. A cover story in a recent issue of *Time* magazine, titled 'Mr World', describes Rudd as the consummate globalised citizen who makes a point of reaching out to those in other nations who share his sense of international community.

Releases a lot of paper, does our PM

Prime Minister **Kevin Rudd** released a paper on the impact of climate change at the Pacific Island Leaders Forum in Cairns. The paper warned of dire consequences unless the Pacific's two big development partners boost efforts to help vulnerable nations adapt to global warming. Meanwhile, Australia and New Zealand have vowed to step up assistance for Pacific countries to ease the impact of the global credit crisis, releasing a joint report outlining a bleak economic outlook for the region, the *Financial Review* reported.

International cultivation

Deputy Prime Minister **Julia Gillard** is planning to visit India in September in the latest of her journeys to cultivate relationships with Australia's allies and trading partners.

Hmmm

A Taiwanese born businessman, **Kung Chin Yuan**, with close ties to his country's disgraced former president, **Chen Shuibian**, paid for **Kevin Rudd** to travel business class to London in 2005 and has donated \$220,000 to the Australian Labor Party, *The Age* reported. Yuan was appointed a Brisbane City Council ambassador by former Labor Lord Mayor **Jim Soorley** in October 2000.

Oh dear, Kadeer

Unofficial leader of the Uighurs, **Rebiya Kadeer**, will use her visit to Australia in August to urge the Government to take a stand over China's violent repression in her homeland. Kadeer will be here for the launch at the Melbourne International Film Festival of the documentary about her life and her people's struggle. Like the Tibetans, the Uighurs say the Chinese government is committing cultural genocide by banning the teaching of Uighur in schools, *The Age* reported. The Chinese consulate in Melbourne asked Festival director **Richard Moore** not to screen the 60-minute documentary, a request that was declined. Chinese hackers attacked the Melbourne International Film Festival website in the campaign against the screening of the aforementioned documentary. It was hacked by a 24-year-old Chinese man with no apparent connection to his Government.

5000 Fischers

Tim Fischer, Australia's Ambassador to the Holy See and former coalition deputy prime minister, defended **Kevin Rudd's** right to make representations for **Mary McKillop** to be made a saint, *The Age* reported.

Hmmm

Two Old Geelong Grammarian classmates and property industry figures **Angus Reed** and **Matt Joyce** are among four Australians facing a string of charges, including fraud, over a property deal gone bad in Dubai. Joyce and fellow Australian executive **Marcus Lee** have been in prison for six months. Reed and an Australian lawyer, **Anthony Brearley**, are believed to have left Dubai before the police investigation, thereby avoiding jail. Until his arrest in



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January, Joyce had been managing director and Lee a senior executive of Dubai Waterfront, a subsidiary of the state owned Nahkeel Corporation. It is the world's biggest waterfront development, *The Age* reported.

Rein over them

Days after returning from climbing of Mt Kilimanjaro, **Therese Rein** was announced as the new patron of a major UNICEF Australia campaign to combat the high rate of maternal and child death in developing countries, especially in the Pacific region.

A representative of her Majesty the Queen

British Prime Minister **Gordon Brown** announced a former leader of the House of Lords, Baroness **Valerie Amos**, would become the country's High Commissioner to Australia. She will replace **Helen Liddell** and start in the post in October.

GOVERNANCE

Get out!

Halfway through the Rudd government political term there have been 107 suspensions from the House of Representatives, which is on track to challenge the previous parliament's record of 223. Official figures show the main offenders are opposition frontbenchers **Peter Dutton** and **Joe Hockey**, who have been sent from the chamber nine times each – under the one hour 'sin bin' rule – since the 2007 election. Liberal MP **Wilson Tuckey** is on course for the biggest record of them all having been sent out 14 times, including one three-day suspension and two seven-day expulsions, the *Herald Sun* reported.

Two trucks

The Coalition's 'debt truck' and Labor's 'jobs truck' vied for attention in early July. Opposition leader **Malcolm Turnbull** said the truck was to remind voters of \$315b in debt the Government was running up. Labor's jobs truck reminds voters that 70 per cent of government debt is being spent on infrastructure. It circled the streets around Turnbull's Sydney electorate office, in well-heeled Edgecliff, the *Herald Sun* reported.

Meanwhile, the mystery of who faked the e-mail at the heart of the ute affair is unlikely to be resolved, *The Australian* reported. Auditor-General **Ian McPhee** will not go into the provenance of the fake e-mail, which suggested **Kevin Rudd** had **Wayne Swan** help

car dealer and mate **John Grant**, because his terms of reference do not allow it. McPhee's narrow remit confines him to investigating actual representations made to Treasury official **Godwin Grech** on behalf of car dealers, not invented ones. See below.

The very strange Godwin Grech

Godwin Grech has admitted he created the fake e-mail at the heart of the OzCar affair and claimed that he passed the contents of that e-mail to **Malcolm Turnbull** under enormous pressure. Grech said he still believed there had been an original e-mail from **Kevin Rudd's** office, urging help for Ipswich car dealer and Labor donor **John Grant**, but conceded it could not be found. Grech said he cooperated with the Opposition to save the jobs of 2,000 people by seeking their support to pass the car finance bill in the Senate, *The Australian* reported. *The Age* reported that **Malcolm Turnbull** cast himself as a victim of an outlandish sting by Grech in the OzCar affair after an Auditor-General's report exonerated **Kevin Rudd** and **Wayne Swan** from giving special treatment to Grant. Auditor-General **Ian McPhee** found that Swan spoke briefly with Grant, at the request of Labor backbencher **Bernie Ripoll**. 'Treasury was aware that the dealer was acquainted with the Prime Minister, but there is no evidence that the Prime Minister was aware of the representation, or that the Treasurer or his office applied pressure on Treasury,' he found. McPhee also addressed the fact that updates of Grant's case had been copied to the Treasurer on his home fax, apparently suggesting Grant received special attention. But the Auditor-General said Swan's office had sought to have the updates stopped.

In *The Age*, **Michelle Grattan** wrote that **Turnbull** presented a solid case to show how he was duped by the very strange **Godwin Grech**. Whether this will be enough to rescue Turnbull's credibility after this extraordinary affair is quite another matter. He has taken such a battering that he is likely to have suffered deep, permanent wounds. An editorial in the same paper said **Malcolm Turnbull** has to restore public faith in him, or he is gone.

Responsible for being duped

The Government gained ground in its pursuit of Turnbull by winning support for a Senate inquiry into the OzCar affair, amid new suggestions of Coalition disunity, the *Financial Review* reported. Liberal

Senator **Eric Abetz**, who led the Senate questioning of Grech before the verity of the e-mail came to light, and who had meetings with Grech before the questioning, accepted responsibility for being duped by the Treasury official.

Road rage

Treasurer **Wayne Swan** froze the funds in the \$850m OzCar finance scheme pending an independent review of the plan following the scandal over the fake treasury e-mail, frustrating car dealers anxious to secure a help. Car companies must wait for the official review before funds can be released to meet the Government's promise from last December to fill the gap left by an exodus of commercial finance. The delay has angered car dealers who have been forced to draw on bank overdrafts or savings to stay in business, the *Financial Review* reported.

Always on a war footing

The Coalition shifted onto a war footing amid fears the Government would call an early poll to take advantage of its new popularity among the opposition's blue-collar voters following the success of its \$50b economic stimulus measures. The Liberal's federal director, **Brian Loughnane**, said the party was prepared for a double dissolution, citing Labor's 'reckless spending' as a cover for their 'lack of a clear economic strategy'.

A double page advertisement and more

On Saturday, July 25, a 6000-word essay by Prime Minister **Kevin Rudd** was published in the Insight section of *The Age*. It claimed that over the next decade, Australians will have to work harder and smarter. He repeated his point about the economic downturn in that the roots of the crisis lie in the preceding decade of excess. In that decade the world enjoyed an extraordinary boom. The essay picked a path down the middle of the road – most people (voters) would agree with the facts and sentiment. The only distraction in the earnest, blow-dried, well-dressed countenance of his full-page centre spread photo was the alarming thickness of his pink sausage fingers.

In his 3,000 word response published in the same section the following week, **Malcolm Turnbull** wrote that, as ever, Rudd is more interested in the next day's headlines than bedding down hard policy choices. In the essay, Turnbull condemned Rudd as a 'political

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fashionista' with an 'Orwellian disregard for the truth', who will leave Australia with 'debt as far as the eye can see'.

A lot on his mind

The *Financial Review* reported that Prime Minister **Kevin Rudd** has 123 recommendations for health reform on his mind and by Christmas he will have a mountain of other detailed policy suggestions to sort through as his big-ticket reviews continue coming home to roost. One important document, due at the end of October, is the final report of the Australian Law Reform Commission's Review of secrecy provisions and federal laws. Officially, the report will go to the Attorney-General, **Robert Maclelland**, who commissioned it on August 5 last year, but of course nothing will be done unless Rudd wants it. A discussion paper containing 66 proposals for changes to legislation, regulation and practice was released on June 18. Anyone wanting to have a say had to do so by the first week of August. The discussion paper identified 507 existing secrecy provisions in 175 pieces of legislation ranging across such diverse areas as tax, social security and national security, including 358 distinct secrecy offences carrying a wide range of criminal penalties.

Cheques and balances

The *Australian* newspaper believes it's time to limit the power of lobbyists because confidence in the political process must be protected. The paper's editorial notes the Government's own code of conduct says that lobbying is a legitimate activity and an important part of the democratic process. Lobbyists can help individuals and organisations communicate their views on matters of public interest to the government and... in doing so, improve outcomes for the individual and the community as a whole. The lobbying code is intended to promote trust in the integrity of the government process, but recent revelations suggest it is not working. It's an industry peopled by a class of former politicians, advisers, trade union officials and backroom operators who morph into lobbyists and consultants and pull in the dollars. Registers of lobbyists are important in increasing the transparency of the system – and we need one in every state. The editorial concludes that lobbying is part of the democratic process, but the problem for our society is the willingness of business to pay big dollars to achieve its ends. Our democracy is in rude health compared with most other nations: but the preservation of that democracy requires leaders to be ethical and responsible enough to ensure there are adequate checks and balances. Meanwhile, the *Herald Sun* reported that lobbyists will be banned from all government-appointed boards and positions in another move to make Queensland politics more transparent. The move follows bans on success fees and on Labor ministers attending political fund-raising events with businesses.

Finger on the Dutton

Howard Government minister **Peter Dutton**, 39, faces possible political oblivion in an electoral redistribution that will sharply improve **Kevin Rudd's** re-election chances. The former assistant treasurer's Brisbane seat of Dickson would become notionally Labor under the proposed boundary changes, which also put at

least three other Liberal seats at risk of falling to Labor. The redistribution would also allow Labor to tighten its grip on at least three of its own marginals, including the seat of Moreton, traditionally held by whichever party is in government. Dutton ousted Labor's **Cheryl Kernot** from Dixon in 2001. The Liberal-National party accused the Australian Electoral Commission of favouring Labor. The AEC regularly reviews electoral boundaries to take account of population growth and ensure all seats have a similar number of electors, *The Australian* reported. In the same paper, **Peter van Onselen** wrote that the draft redistribution of federal seats in Queensland by the Australian Electoral Commission is a disaster for the coalition.

A suggestion

Pope Benedict XVI has proposed a new world political authority 'with real teeth', possibly in place of the United Nations, to enforce an ethical financial order and end the global financial crisis. Calling for more aid, a bigger role for trade unions and an economic system aimed at the common good as well as profit, the Pope said only a moral market could end the crisis and solve world poverty, *The Age* reported.

Viva la football

As part of his overseas trip in early July, accompanied by Football Federation Australia chairman **Frank Lowy** and chief executive **Ben Buckley**, **Kevin Rudd** backed Australia's push to host the World Cup in either 2018 or 2022, *The Age* reported.

Green light

The Government has given the green light to an expansion of the uranium industry, approving the Four Mile mine in South Australia. The new mine is 550 kilometres north of Adelaide. It will be Australia's fourth uranium mine and has reignited interest in the local uranium sector. Environment Minister **Peter Garrett** spent a lot of time defending himself and his decision on the Four Mile mine, saying he entered Parliament to be a 'team player'. In 1984, he stood unsuccessfully for a Senate seat after co-founding the Nuclear Disarmament Party and is well known for his opposition to uranium mining.

COAG agreed to a new national alert system

Plans for a national alert system, which have been stalled since 2003, were approved at the recent Council of Australian Governments meeting in Hobart. The new system will be designed to send voice and text messages to all landlines and mobiles where the billing address is in the affected area. The main flaw in the system is that it will not initially be able to send messages or calls to mobiles based on their actual physical location, although COAG agreed to fund research aimed at making this a possibility.

Something else you can't do

A new draft management plan at Uluru-Kata Tjuta National Park indicates the days of climbing Uluru are coming to an end. Opposition environment spokesman **Greg Hunt** said the closure was environment Minister **Peter Garrett's** idea. Uluru is the world's largest monolith and Australia's most famous natural landmark, *The Australian* reported. The local Anangu people, who jointly manage the site with Parks Australia, now request that visitors do

not climb Uluru, a sacred site. *The Age* reported that Prime Minister **Kevin Rudd** poured cold water on a plan to stop people climbing Uluru.

Any mail?

Australia Post is seeking advice on increasing the price of a basic postage stamp, less than a year after a similar increase. The decision to increase the stamp price from 55 cents to 60 cents in early 2010 is subject to approval by the Australian Competition and Consumer Commission. Australia Post said rapid growth in areas such as western Sydney, south-east Melbourne, south-east Queensland and parts of Western Australia would add 2.5 million new delivery points over the next decade, *The Age* reported.

In a related story, the Australian Competition and Consumer Commission issued its fourth report assessing if Australia Post's services were being cross-subsidised in the 2007-08 financial year. The report's findings were consistent with the findings in all the ACCC's previous reports. Australia Post's logistic services continue to be cross-subsidised, and the source of that cross subsidy appears to be Australia Post's competitive services, rather than its monopoly services, www.accc.gov.au.

Choice

Consumer advocate Choice has called for an official timeline for actions to be taken on the issues of restrictive covenants and planning laws, the main areas identified in the Australian Competition and Consumer Commission report on rising food prices. Critics claim the Government has taken too long to act on key reforms in relation to boosting competition in the grocery sector, *The Age* reported.

Do they allow Liberal voters into these clubs?

The ALP's powerful national executive holds concerns the ACT branch is seeking to sell a nationally significant party asset to the left-wing Construction Forestry Mining and Energy Union for half its market value. The national executive has intervened to stall the sale of four highly profitable Canberra clubs to the CFMEU-owned Canberra Tradesmen's Union Club for between \$20m and \$25m after it received legal advice that the clubs were last year valued at \$50m. The national executive believes the clubs, set up to 'render financial aid' to the ALP, represent more than 50 per cent of the party's national asset base, *The Australian* reported.

Conference call

The ALP National Conference was held at Sydney's Darling Harbour from July 30 to August 1. **Laura Tingle**, the *Financial Review's* political editor, wrote that what is different this year about the conference is that, in addition to a lethargy brought about by incumbency and policy appeasement, the right faction's absolute dominance of the conference numbers, and the demise of the unions, have removed the last vestige of a suggestion the national conference is actually a policymaking body for the ALP at all. Addressing the 45th ALP National Conference, **Kevin Rudd** spelled out a 10-year vision for the nation and reminded the 400 delegates of the emptiness of being out of office. The business campaign to major tax reform was dealt a blow at the conference following a resolution urging the Government to rule out changes that would lighten the overall burden on corporate Australia.

**Any submission
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Happy Birthday

Labor statesman and former prime minister **Gough Whitlam** celebrated his 93rd birthday on July 11.

INDUSTRIAL RELATIONS & EMPLOYMENT

Like an ice block

The Australian Fair Pay Commission, in chairman **Ian Harper's** final ruling before his role is transferred to Labor's new Fair Work bureaucracy, decided to leave the pay of up to 1.3 million workers at \$543.78 a week in a move opposed by Deputy Prime Minister **Julia Gillard**. The same day as the announcement, the Reserve Bank decided to leave Australia's cash rate unchanged at 3 per cent. The July 8 edition of *The Australian's* Business Section published the Reserve Bank's statement, which noted the global economy is stabilising after a sharp contraction in demand during the December and March quarters.

Buy Australian, breach international treaties

The public strongly supports the Government buying Australian, even if it adds to the cost of goods and services, according to polling released by manufacturing unions before the ALP National Conference, where the 'buy local' row was a major issue. The Government is opposed to the union push for Australian goods and services to enjoy a 20 per cent price differential in purchasing contracts, saying such a move could breach international treaties. The campaign, which has united right and left in the union movement, is for a fair go policy for local manufacturing from both government and the private sector, *The Age* reported.

Victory is hers

Julia Gillard has won a resounding victory over unions, with the ACTU accepting defeat on the Government's changes to building industry regulations, *The Age* reported. She moved to allay employers concerns about changes to the building industry watchdog,

warning that unions face penalties even if they take unlawful action when the body's coercive powers have been switched off.

Struck a deal

Unions will be appointed to Government boards, committees and advisory bodies in a move that will increase their influence over national policies. The move follows increasing anger at their exclusion from some of the Rudd government's key advisory bodies, including the Henry tax review.

Written on his bib

Employment Minister **Mark Arbib**, struggled in describing **Kevin Rudd's** central ALP national conference promise to create 50,000 new green jobs, by saying they were just work experience and admitting he didn't know the details of payments for unemployed youths. The Prime Minister outlined a target of 50,000 new 'green jobs' and training opportunities in bushland cleanups. Arbib said that 10,000 places in the Green Corps were work experience and he did not know if participants would continue to be paid unemployment benefits while clearing bushland and board walks.

Verb, intransitive

The Rudd government is using its \$650m jobs fund to pork barrel in Labor and marginal seats, rather than direct money to people who need it across the country, the Opposition says. The accusations came after Employment Participation Minister **Mark Arbib** announced the Government would spend \$1.7m on three projects in Tasmania. **Malcolm Turnbull** said the way the spending was being rolled out showed it was all about spin and photo opportunities and not about lifting the nation out of financial crisis, *The Australian* reported.

Laws ahoy

Julia Gillard has moved to extend the federal workplace laws to foreign-owned and 'permit' ships operating off the Australian coast, in a victory for the maritime union. All employers had previously warned of extra costs associated with the move, the Maritime Union of Australia said any impost would be very modest, and the union would work with companies to limit the impact, *The Australian* reported.

What if they want to become Prime Minister one day?

Kevin Rudd has urged young people to align their job expectations with the tough times facing Australia. Adding his voice to a new 'job snobs' debate, the Prime Minister warned Generation Y the employment outlook was grim, the *Herald Sun* reported.

Hmmm

The Fair Work Ombudsman will use new powers to investigate companies who are discriminating against workers, prompting employers to claim they risk being treated as guilty until proved innocent. Fair Work Ombudsman, **Nicholas Wilson**, confirmed he would be able to investigate allegations of discrimination in the workplace, and initiate legal proceedings on behalf of an employee, *The Australian* report.

CLIMATE CHANGE, ENVIRONMENT, ENERGY

Got to aspire to something in this life

Hopes for a significant climate treaty in Copenhagen have been set back by developing country officials refusing to sign on to a broader goal of cutting global greenhouse gas emissions by mid-century. A meeting in Rome of climate ministers and officials of the 17 member countries of the Major Economies Forum, including Climate Change Minister **Penny Wong**, failed to agree to aspirational targets to cut emissions by 2050, *The Age* reported. The *Financial Review* reported that the Government says it remains confident of a breakthrough at the Copenhagen climate change conference in December, despite further evidence of the difficulty of achieving a global agreement to cut greenhouse emissions following the Group of Eight forum of wealthy nations in Italy. In a sign of the tensions stifling progress, they failed to agree on what year to use as a baseline to measure the cut. However, they did agree that green global temperatures must not be allowed to rise more than 2 degrees and developed countries should collectively cut their emissions by 80 per cent by 2050.

Running of the Turnbills

Malcolm Turnbull angered some senior Liberal colleagues by publicly floating a new strategy for climate change despite failing to get shadow cabinet support for it. Coalition policy is to vote the Government's emissions trading laws down in the Senate in August, but reconsidered its position about a second vote in November, when the final stance of the US is clearer and considering that a second Senate rejection would provide a trigger for a double dissolution election. Turnbull asked shadow cabinet to consider the strategic shift of presenting the opposition's amendments when Parliament resumes next month, saying business supported the idea and would deprive the government of the chance to mount an attack on the coalition as climate change spoilers. The shadow cabinet was divided, *The Australian* reported. Meanwhile, Opposition energy and resources spokesman, **Ian McFarlane**, predicted Australia would embrace nuclear power in the not too distant future. He also argued that coal – which supplies about 80 per cent of electricity – will become too costly to be competitive. Maverick Liberal backbencher **Wilson Tuckey** circulated an e-mail within the party accusing **Malcolm Turnbull** of arrogance in refusing to defend the Coalition's opposition to the emissions trading scheme.

Malcolm Turnbull succeeded in decisively shifting the Coalition's position on the emissions trading legislation, promising support if the Government accepts a number of changes. Shadow Cabinet approved the shift in a phone linkup in late July after a damaging week of internal Opposition division. Turnbull's nine-point amendment plan to Labor's Carbon Pollution Reduction Scheme was alive for less than half a day before Climate Change Minister **Penny Wong** rejected it, saying Turnbull had produced a 'shopping list' and he must turn it into real amendments, *The Age* reported. **Tony Abbott**

urged Liberal MPs to back the leadership of **Malcolm Turnbull** and asked them to pass **Kevin Rudd's** emissions trading scheme in the Senate to avoid a double dissolution election that they cannot win. *The Australian's* political editor, **Dennis Shanahan**, wrote that the ETS will destroy Turnbull's leadership unless he can master the policy dividing his party.

A tautology?

Kevin Rudd has been accused of playing base political games after spurning **Malcolm Turnbull's** offer of negotiations over Labor's proposed emissions trading scheme. Opposition emissions trading spokesman **Andrew Robb** said that the Prime Minister was insincere after the government launched a series of attacks on the opposition leader despite his offer of a compromise. His comments came as Labor backbencher **Jennie George** echoed one of Turnbull's claims by insisting Australian workers should have the same protection as American workers in the scheme before the US Congress, *The Australian* reported.

Shifting ground

The Government is considering doubling compensation to the coal industry to \$1.5b to protect mining jobs under a carbon emissions trading scheme, as public opinion shifts definitively against Australia committing to carbon cuts before the rest of the world, *The Australian* reported. *The Age* reported that the shadow cabinet decided to vote against the emissions trading scheme on August 13.

Different shades of green

Three in four Australians want the proposed emissions trading scheme toughened up in the Senate, according to an opinion poll. Commissioned by the Australian Greens, the Galaxy poll showed 75 per cent of those surveyed want harsher safeguards on industrial polluters, the *Herald Sun* reported.

The climate frontier

An analysis of the ETS by Frontier Economics has concluded the scheme would result in 25,000 fewer jobs and 4 per cent lower real wages by 2020. They say 45,000 jobs will be lost overall, but new industries will create 20,000 jobs. The Government asserts there will be little or no impact, the *Financial Review* reported.

Hidden costs

More than half of the overall cost to business of the Government's carbon emissions trading scheme will come from hidden expenses such as higher electricity

and transport prices, the first study to analyse the scheme's full cost to business, by RepuTex, reports. About 42 per cent of these costs (\$1.33b) is expected to be passed on to consumers and other businesses through higher prices, leaving a net bill of \$544m for the top 200 listed companies in the first year of the scheme, rising to \$1.9b by the second year, the *Financial Review* reported.

What's at stake

Barnaby Joyce says the Government's emissions trading scheme could lead to the advent of the \$150 beef roast. His sometime nemesis **Bill Heffernan** agrees, saying real issues of food security are at stake. Agriculture will be excluded from the ETS for the first five years, but rural representatives point to the very different treatment of primary producers proposed in the US's Waxman-Markey emissions trading bill.

Blairingly obvious

Tony Blair, former British prime minister, had an article in the opinion pages of *The Australian* which noted that fully 70 per cent of the greenhouse gas reductions needed by 2020 can be achieved by investing in three areas: increasing energy efficiency, reducing deforestation, and use of low carbon energy sources, including nuclear and renewables. Implementing just seven proven policies – renewable energy standards (say, feed-in tariffs or renewable portfolio standards); industry efficiency measures; building codes; vehicle efficiency standards; fuel carbon content standards; appliance standards, and policies for reduced emissions from deforestation and forest degradation – can deliver these reductions.

Always got something to say, don't you Kevin

Prime Minister **Kevin Rudd** has been overheard pouring cold water on world leaders' chances of hammering out critical climate change limits in Copenhagen – just hours after US President **Barack Obama** called for global optimism, *The Age* reported.

Coal fist

Queensland Premier **Anna Bligh** said the emissions trading scheme provided inadequate support for the coalmining industry. The Federal Government is already under pressure from Victorian Premier **John Brumby** to provide greater assistance to power generators, the *Financial Review* reported.

Bet on the future

In *The Age*, **Leon Gettler** wrote that carbon credits are mimicking subprime as a derivative full of risk. Carbon credits are designed to reduce greenhouse gas emissions by selling carbon as futures or forward contracts at a certain quantity and price. They are derivatives; bets on the future. Commissioner **Bart Chilton** from the US Commodities Future Trading Commission said that carbon could be the world's biggest derivatives market in five years. That market is being created from a standing start. Little thought has been put into developing safety mechanisms in the public interest. But then, politicians only respond with tough laws after a crisis.

The old illness metaphor

Michael Baume, a former Liberal MP and former investment editor of the *Financial Review*, wrote on that paper's opinion pages that an emissions trading system is the wrong way to deal with climate change. A carbon tax is a better cure.

Too true

Electricity generators are cutting back major maintenance work, raising the risk of California-style power brownouts, because of uncertainty caused by the Government's carbon pollution reduction scheme. Victorian generator Truenenergy's managing director **Richard McIndoe** said that with \$950m of debt to be refinanced this year and banks wary of the impact of the CPRS on the industry, the company had decided it could not justify the cost of major maintenance, *The Age* reported.

Nearby

Electricity generators are asking for between \$5b and \$20b in extra assistance from the Government to avoid an industry crisis under the emissions trading scheme, with some suggesting the compensation could be tied to new investments in renewable power. The Government is yet to be convinced of the generators' claims, but after lobbying in July it commissioned investment bank Morgan Stanley to examine the impact of the ETS on privately owned brown coal generators in the Latrobe Valley and power stations in Queensland and South Australia, *The Australian* reported.

Cute little nuclear power plant

A new generation of smaller, 'non-threatening' nuclear power plants being developed in South Africa could open the door to nuclear power in Australia years earlier than expected, *The Australian* reported.

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Australian IT Innovation - Global Patent Pending

Ziggy Switkowski, chair of the Nuclear Science and Technology Organisation, said the new mini reactors – which were a tenth the size of conventional nuclear power stations – would help ease community fears in Australia about nuclear power. While the technology was still emerging, he expected the mini nuclear plants, producing 100 to 200 megawatts, to be operating in some countries within five years. ‘That may turn out to be a more acceptable way of moving into nuclear energy for Australia,’ he told the Australian Uranium Conference in Fremantle.

In the Weekend Inquirer section of *The Australian*, their political editor **Dennis Shanahan** wrote that the nuclear debate is unstoppable. It’s probably not physically possible but it is theoretically possible we could even be looking at nuclear power by 2020. That’s only five to 10 years away, yet you’d think it was inconceivable, wasn’t possible or even to be contemplated given the political rhetoric.

Thanks Al

Former US vice-president **Al Gore** suggested that even Australia’s passage of an imperfect bill this year could help secure a new treaty to cut greenhouse gas emissions. He also said that markets should determine the role of nuclear power. A third point, reported in the *Financial Review*, Gore made was that excessive executive pay combined with a short-term focus was a powerful barrier to improving corporate governance or dealing with risks such as climate change. In a meeting with **Kevin Rudd**, the issue about which they disagree, clean coal, was not mentioned. In a speech to the Clinton Global Initiative in September, Gore said ‘clean coal is like healthy cigarettes. It does not exist.’ It would be better to focus on existing renewable technologies such as solar, wind and geothermal, he said.

Isn’t the climate immutable in God’s universe?

The Age reported that the Catholic Church in Australia is beginning a carbon audit of its operations, including thousands of churches and parish buildings, 1,500 schools and more than 300 hospitals and aged care facilities. The church estimates its activities release up to 1.5 million tonnes of heat trapping greenhouse gases a year, about the same as all federal government agencies put together, excluding the defence forces.

Jaqui Remond is director of Catholic Earthcare, the church’s national sustainability division.

Tinny

Australia’s aluminium industry says the Government’s renewable energy target will cost it \$700m over the first decade of the scheme and threaten 5,000 jobs in regional centres. In a submission to the Senate Inquiry into the Government’s renewable energy legislation, the Australian Aluminium Council called for a 90 per cent exemption from the full costs of the RET, *The Age* reported.

Get ready

Senator **Kim Carr**, Innovation Minister, announced \$13.4m in grants to 22 businesses for projects supporting around 180 green jobs under the Rudd Government’s Climate Ready Program. The \$75m Climate Ready Program offers matching grants from \$50,000 to \$5m to help develop innovative solutions to climate change.

The humpy desert

The Australian reported that in the Simpson, Gibson and Tanami deserts, more than 1 million camels are running wild across 3 million kilometres, according to a recent report by the Alice Springs-based Desert Knowledge Co-operative Resource Centre. Dr **Glenn Edwards**, the public servant in the Territory’s Environment Department in charge of camel management and the report’s chief author, has set the Federal Government an ambitious goal: the camel population must be brought down to one camel for every 10 square kilometres. ‘This keeps the damage they do within reasonable limits,’ he says. Mobile abattoir owner **Harvey Douglas** sees a billion dollars in camel meat wandering round the Central Desert and wants to kickstart a remote-based industry he says will provide up to 400 jobs a year, mostly to indigenous people. He says the Federal Government’s \$19m package to control camel numbers could be the catalyst for an enterprise creating employment in the desert and contributing to Australia’s international aid efforts – camel meat being shipped to Afghanistan, for instance. The biggest barrier to kickstarting a camel meat industry is the willingness of aboriginal organizations, such as the Central Land Council, to allow access to Aboriginal land, he says. ‘The world has a need for low-cost protein,’ Douglas says. ‘There’s a huge requirement out there. We give Afghanistan \$88m a year in aid money; the Government has just promised \$20m for camel control. Let’s put the \$20m into processing meat, and let’s take some of the aid money and put it into buying meat. Problem solved.’ Under current plans for mass aerial culling, camels would be shot and their carcasses left to rot. **Kim Schwartzkopff**, senior wildlife officer with the NT Environment Department, also works as an aerial shooter and agrees this would be a waste. But he is not convinced Douglas’ plan to harvest camels as a resource is feasible. The trouble, as he sees it, is the ability of the abattoir to keep up with the shooters.

Camelcide

News of the camel cull reached the US, with **Erin Burnett**, an anchor on the US financial news channel CNBC, announcing that there was a serial killer in Australia, showing a photo of **Kevin Rudd**. ‘That would be the Prime Minister of Australia, Kevin Rudd. Okay, well, you know what he is doing? He has launched air strikes – air strikes – against camels in the outback.’ Her sidekick during the segment, commentator **Jim Cramer** said: ‘That’s genocide. Camelcide.’

Plenty of blubber to go round

The Opposition has declared the Government’s anti-whaling strategy a failure following the recruitment of yet another African state to the International Whaling Commission. Following encouragement by Japan, the Republic of Ghana has become the IWC’s 86th member. Australia signed up to a truce in the IWC while attempts were made to reform it, but Ghana’s decision confirms that a deeply dividing vote race in the organisation is still underway, *The Age* reported.

Good ad

The Australian Coal Association ran a full-page ad in all Melbourne papers noting that Australia is a world leader in exporting coal. It is also set to be a world leader in reducing greenhouse emissions from coal.

The Australian coal industry has already committed more than \$1b of its own money to developing and trialing carbon capture and storage projects in Queensland, New South Wales and Victoria, in the hope of reducing CO2 emissions by up to 90 per cent. The ad says the Australian coal industry’s position on carbon emissions is clear. They applaud the world leadership shown by the Prime Minister in setting up the Global Carbon Capture and Storage Institute, www.newgencoal.com.au.

HEALTH

Healthy horizon

Proposing the most radical changes to Australia’s health-care system since the 1980s, the National Health and Hospitals Reform Commission final report says Medicare should be revamped to make it more efficient and to provide more choices to consumers. Dubbed Medicare Select, the new scheme would require every Australian to join a ‘health and hospitals plan’ offered by the government, non-profit or private organisations. A new public dental health care system and a partial Commonwealth takeover of the State health responsibilities are other key elements of the plan, *The Age* reported. On the opinion pages, **Michelle Grattan** writes that Rudd’s real problem is one of credibility – before the 2007 election he gave the impression he could fix the hospitals and of course that’s a long, difficult challenge that won’t be met any time soon.

In the *Herald Sun*’s analysis it noted that elective surgery hospitals will be built around Australia and all patients guaranteed a GP appointment within two days in the \$16b health reform blueprint. Elderly people could be forced to sell their homes to secure a nursing home bed under the biggest shakeup of health in decades. An attack on child obesity also features: every primary school would have access to an on-site nurse to encourage kids to exercise and stop eating junk food. The report sets out 12 targets in which every Australian should be able to get an ambulance within 15 minutes, a GP appointment within two days, and elective surgery within three months. *The Financial Review* reported that **Kevin Rudd** will avoid committing to any major overhaul of \$94b health system despite warnings in the report that the system requires ‘long term structural reform’ and may have already hit a ‘tipping point’. The report also called for a federal takeover of public hospital funding. *The Australian* reported that the National Health and Hospital Reform Commission report recommended issuing electronic health-care cards containing an archive of a person’s health history, to reduce administrative red tape and allow cardholders personal access to their health records.

Good move

Rules covering domestic violence and child abuse will be introduced as part of a major overhaul of Australia’s family law to be undertaken by the Government. Attorney-General **Robert McLelland** announced a series of moves aimed at strengthening the legal system to provide more protection for women and children from family violence. Under a far reaching overhaul, McLelland urged states to align their laws covering domestic disputes to stop

State of the Nation Report

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Base: Aust Population 14+
Source: Roy Morgan Nationwide telephone poll (n=684) May 20-21, 2009

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- Ageing Population
- Increased education
- Increased workforce participation
- Increased wealth, debt & discretionary spending
- High and generally increasing Consumer Confidence
- Increasingly progressive attitudes and attraction to new ideas
- Australians' concern about the environment now being translated into action
- Change in leisure activities away from organised sport and family outings to more individual pursuits and online activities
- Increased international focus and interest in health and wellness is being played out in the food area.
- An increased proliferation of information and communication technologies.

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This report is the third in the series of our Roy Morgan State of the Nation reports and examines the current state of the automotive industry in Australia and the impact Australian drivers have on Automotive Carbon Emissions.

Supermarket Satisfaction - April 2009

This Report provides a uniquely independent and reliable measure of customer satisfaction for the major Supermarket Chains in Australia. Collected continuously from an annual sample of around 16,000 Main Grocery Buyers, this report is produced monthly and contains 5 year rolling trends.

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This Report monitors and tracks over the last four years the major institutions within the Major Cards market on key measures such as customer penetration, market share (dollars), share of customer wallet and share of products.

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Traditional Banking Market - Market Overview
Household Insurance - Performance by State
Motor Insurance - Market Overview

Capital Cities Tourism Report - November 2008

Derived from the Holiday Tracking Survey of over 50,000 Australians annually, this report examines the behaviour and profile of Australians who holiday at Australian capital cities.

Health and Spa Tourism - March 2009

This report quantifies the number and value of health and spa holidays taken by Australians both domestically and overseas.



State of the Nation (4) Focus on the Wealth Effect and Investor Stress

In the Australian marketplace what actually happens is never as important as how people feel. But short term perspectives can be misleading. What does the dramatic reduction in the value of Australians' investments, coupled with increased Consumer Confidence really mean? Only with the perspective of a long term view can we begin to understand how people really feel and the impact on their behaviour.

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- Leisure Activities • General Entertainment
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- Sports and Activities Participated in
- Roy Morgan Values Segments
- Media Profile
- Major Magazines Read
- National Newspapers Read
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A profile of those Australians who have taken an overseas holiday in the last 12 months, compared to the Australian Population 14+ generally.

National Park/Forest visitors

A profile of those Australians who visited a National Park or forest on their last holiday.

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By Train

By Tram

By Bus

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Cartoon Network Website Visitor Profile

Australia.com (Tourism Australia) Visitor Profile

YouTube Website Visitor Profile

Seek Website Visitor Profile

PSIS Website Visitor Profile

MySpace Website Visitor Profile

Amazon Website Visitor Profile

Roy Morgan Values Segments Profiles*

A profile of those Australians who are classified into each of ten Roy Morgan *Values Segments**.

Basic Needs Profile

A Fairer Deal Profile

Real Conservatism Profile

Conventional Family Life Profile

Traditional Family Life Profile

Something Better Profile

Look at Me Profile

Young Optimism Profile

Visible Achievement Profile

Socially Aware Profile

Electorate Profiles

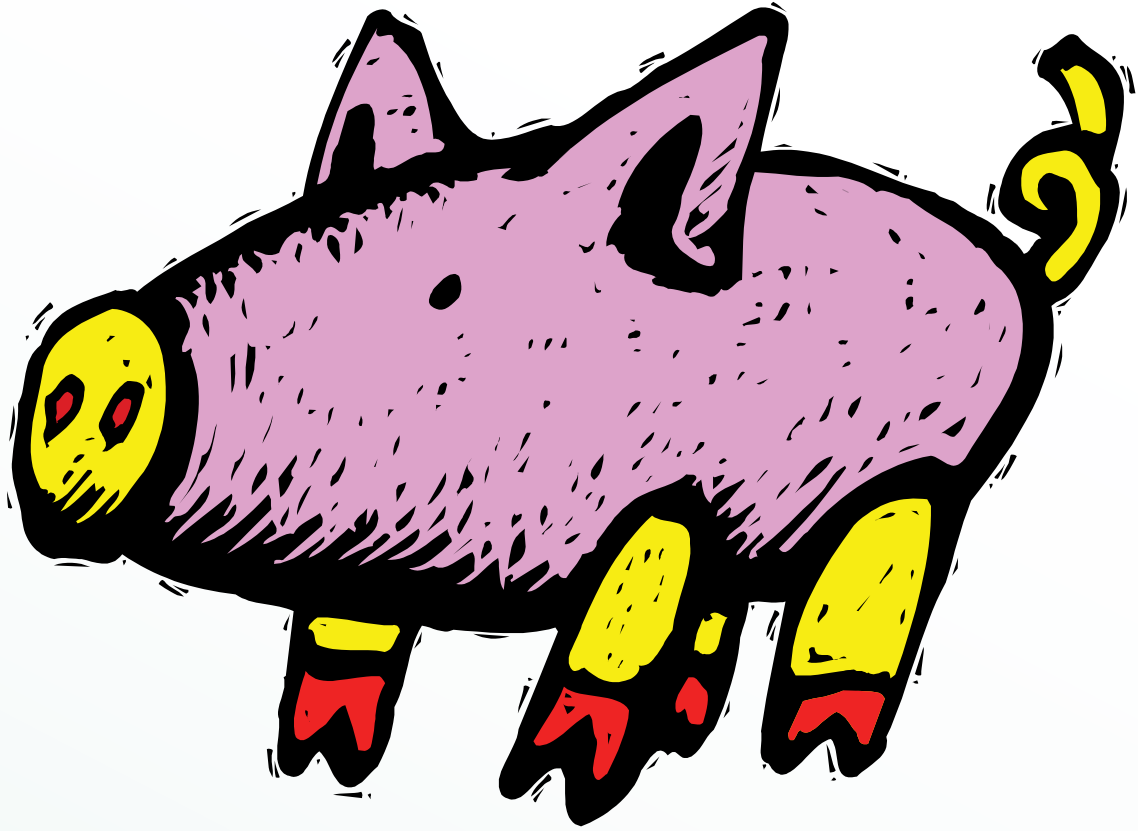
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people exploiting their differences to the detriment of children; flagged possible changes to the Family Law Act to lift the legal threshold of mandatory reporting of child abuse; proposed a national register of domestic violence orders; and opened the door for lawyers to have a bigger role in dealing with family disputes, *The Age* reported.

Bill of health needed

Hospital errors claim the lives of 4,550 Australians a year, according to a report to the Government that urges sweeping reforms to the health system. Prime Minister **Kevin Rudd** released the National Health and Hospitals Reform Commission report, which warns that the current health system is unlikely to be sustainable without reform, *The Age* reported.

It's called power lobbying

The powerful pharmacy lobby has warned the Government against further budget cuts to the \$10b a year pharmaceutical benefits scheme, claiming recent savings measures are already hurting operators in the sector, the *Financial Review* reported.

Lung cancer more expensive

The Age reported that cigarettes would cost more than \$20 for a packet of 30 and come in plain wrapping if proposals now under consideration by the Government are accepted. The Government is considering a cigarette tax hike and a ban on all remaining tobacco advertising and sponsorship in response to its yet to be released Preventative Health Taskforce report.

Slow start

The Australian reported that **Kevin Rudd's** plans to deal with homelessness has been stalled by federal and state bickering, with a flagship \$800 million homelessness program that was to start in early July yet to get off the ground. A week after the money was to begin flowing, three state and territory implementation plans for the national homeless partnership are still to be finalised and the prime ministerial council on homelessness charged with driving reforms has not been established. Research by the Australian Institute of Health and Welfare revealed homelessness grew steadily worse even while the economy powered ahead in the first half of this decade.

Didn't know Barnaby kept pigs

Three of National's Senate leader **Barnaby Joyce's** children have swine flu, and his wife may be coming down with it. In late July, he was 'holding out', *The Age* reported.

BROADBAND & IT

Transforming the law

The Australian reported that the Government has brought forward plans to overhaul Australia's media laws to accommodate its \$43b plan to give 90 per cent of the population access to high-speed broadband. Communications Minister **Stephen Conroy** told technology industry representatives many media regulations would not survive construction of the national broadband network (NBN). He said he was holding meetings to discuss the issues thrown up by both the NBN and the switch from analog to digital free-to-air transmission with stakeholders.

Quigley now

Michael Quigley, who became executive chairman of the national broadband network company, expects digital television delivered over the internet will be a key service offered by the \$43b network. The former Alcatel-Lucent executive set out his early vision of the fibre-optic network as not too sexy but absolutely reliable. Quigley spent 36 years working at Alcatel before leaving in 2007 after helping steer its \$17b merger with US-based rival Lucent Technologies. Former Telstra executive **Doug Campbell** has been appointed chair of the NBN company in Tasmania, with a ceremony marking the network's rollout in Hobart, the *Financial Review* reported.

And here is your bill...

The *Financial Review* reported that the Government has presented the Coalition with a \$24,000 bill for handling Freedom-of-Information requests relating to the planned national broadband network – while providing no guarantee about how many files it might release. Coalition communications spokesman **Nick Minchin** cited the bill as proof that Labor was flouting its own election promise to improve transparency and encourage greater compliance with the Freedom of Information laws.

There's a first time for everything

The *Financial Review* reported that the \$43b figure widely touted as the eventual cost of building the Government's national broadband network is likely to be an overestimation, according to analysts and industry figures. On a present value basis, the network is likely to cost about \$30b, according to Citi Investment Research senior analyst for telecoms and transport **Phil Campbell**. Up to a third of the \$30b is likely to come in the form of assets given to the Government's national broadband network operating company in exchange for equity, Campbell said.

Smart casual

The Government is running an informal hunt for national broadband network board members in parallel with the search undertaken by corporate headhunting firm Egon Zehnder, *The Age* reported.

Multifarious multitudes, Whitman would be proud

Macquarie Capital Advisers is helping Telstra explore the multifarious threats, options and opportunities the Government's national broadband scheme has thrown its way. Telstra began working with the bank in June last year to help advise it on Labor's original plan for a \$10b network based on fibre to the node technology. Macquarie's remit has expanded dramatically since April 7. Telstra's chief financial officer, **John Stanhope**, has deep links to the bank and is leading Telstra's work on the NBN in conjunction with it. A key part of Macquarie's work is assessing the value of the assets that Telstra could inject into the NBN in return for cash, equity or some other form of compensation, the *Financial Review* reported.

Lowering its eyes

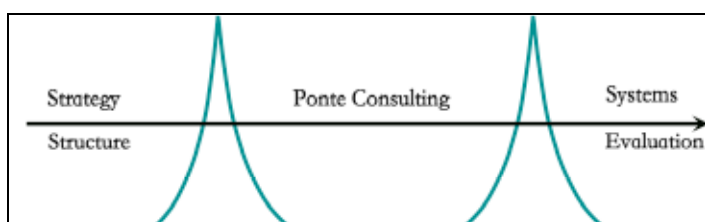
The Government has lowered its targets for its Gershon review-inspired information technology savings program by more than \$30m in the current financial year. Last year's Gershon review of federal IT spending set a savings target of \$140m for 2009-10. A Department of Finance spokesman said this had been revised to \$109.2m due to improved data quality and more detailed analysis. However, deeper cuts to IT spending are expected in the next few years, the *Financial Review* reported.

What star sign are you?

Capgemini, assurer for the Australian Tax Office's \$725m IT overhaul, has warned that even the smallest delay to the roll-out could seriously threaten to blow out the project's July 20 deadline. They told the tax office in December there was zero contingency and substantial action needed to be taken for the project to succeed. The consultancy did not believe the project, which aims to update the technology and tax processing systems, would deliver its full results within the current timetable, *The Australian* reported.

Looking to mother for advice

Formertelecommunicationsexecutivewhosupervised the structural separation of Britain's dominant phone company, British Telecom, will help the Government decide Telstra's fate. Tender documents show **Peter McCarthy Ward**, former director of equivalence at BT Group, will be paid \$60,000 over seven months to advise the Government on whether Telstra should have its wholesale and retail arms separated in order to increase competition, *The Age* reported.



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Important industry

Minister for Innovation, Industry, Science and Research, **Kim Carr**, welcomed the Information Technology Industry Innovation Council's first meeting saying the future of Australian innovation cannot be considered without acknowledging the part played by Australia's \$98b IT industry. It, IT that is, is critical to Australia, directly employing more than 400,000 people. Council members have been drawn from across the IT spectrum and include representatives of industry, suppliers, users, education, research, government and unions. Their chair is **John Grant**, managing director, Data#3 Ltd and chairman, Australian Information Industry Association.

To infinity and beyond

The Rudd Government announced that it will provide \$88.4m to ensure Australia is a major partner in the revolutionary Giant Magellan Telescope (GMT). The \$1b GMT is a next-generation instrument larger and more powerful than any optical telescope constructed to date. It will be built and operated by a consortium of institutions from the United States, South Korea and Australia. To be located in Chile's high-altitude Atacama Desert and will be completed by 2018, it will have up to 30 times better resolution than current land-based telescopes, with images 10 times sharper than the Hubble Space Telescope. The \$88.4m in funding, to be provided to the Australian National University, includes \$23.4m to upgrade Australian infrastructure, including the ANU's Mount Stromlo Observatory and \$65m for the telescope itself. This investment will create at least 240 jobs in Australia during the construction phase. It will also open up significant opportunities for Australian industry over the 40-year life of the project.

Interesting

The Alannah and Madeline Foundation is developing a major campaign to educate parents and children about how to use technology safely and avoid hurting themselves or others. CEO **Dr Judith Slocombe** wants people of all ages to embrace the internet while being aware of the dangers. She said many children found it easier to bully in cyberspace, as they could hide their identity. Seven in 10 children who bully on the internet would not do it elsewhere, her research shows, the *Herald Sun* reported.

BUSINESS, ECONOMY, TAX

The word

Kevin Rudd has warned that many Australians will suffer as the economy starts to recover, with unemployment and interest rates rising, dearer food and petrol, and tough spending cuts in repairing the budget. In a 6000-word essay published in *The Age* on what he describes as the building decade, Rudd sketches a grim picture of the 'paradox of recovery' from economic crises.

Dear Kevin, Wayne and everybody

In an open letter to the Prime Minister and the Treasurer, six economists have asked for an enquiry into Australia's financial system – the first in more than a decade. They expressed alarm at the erosion of competition in banking since the global financial crisis, with small independent lenders disappearing and banks boosting their share of the home mortgage market from 80 per cent to 92 per cent. The letter is signed by economists who have advised both sides of politics including **Christopher Joye**, who chaired former prime minister **John Howard's** 2003 home ownership task force, and **Nicholas Gruen**, who is chairing Finance Minister **Lindsay Tanner's** Government 2.0 taskforce. The letter was also signed by **Joshua Ganz** of the Melbourne Business School, Professor **Stephen King** of Monash University, Professor **John Quiggin** of Queensland University and management consultant **Sam Wylie**, *The Age* reported. In the same paper an article by **Eric Johnston** noted that in the 12 years since the Wallis review, the banking landscape has changed a lot.

Learning to walk again

Reserve Bank governor **Glenn Stevens** said the time was approaching to wind back the guarantee of wholesale deposit funds for Australia's banks. Stevens said the measures, which have allowed banks to use the Government's AAA credit rating since October, were necessary in the extreme uncertainty at the height of the crisis. But he said lenders would soon need to stand on their own feet, *The Age* reported.

Less cream off the top

The banking industry has admitted that nearly \$1b worth of fee income is at risk once a new consumer law governing unfair contracts comes into force next January. Described by the competition regulator as

a significant piece of legislation, the Government's proposed unfair contracts laws will pose a direct attack on the penalty fees levied by the banks, consumer advocates say. In particular, the industry will have to justify \$40 late payment and overdraft fees that lawyers claim are significantly higher than the real charge of the banks, which are estimated to be less than \$1 per transaction, *The Age* reported.

As above

From October 1, National Australia Bank customers who overdraw their accounts or make automatic payments without enough funds will no longer be penalised \$30 dollars. The change will apply to personal transaction and savings accounts, including cheque accounts. The bank may decide to process the transaction or not, depending on the customer. Interest will be charged on overdrawn amounts. The move will wipe \$100 million from the bank's bottom line. Some banks charge \$50 when accounts go into the red. A Reserve Bank survey found \$1.2b was taken from customers through penalties last year, the *Herald Sun* reported. Other banks are reviewing their penalty fees following the NAB's decision. Although, if the above item is anything to go by, they are indulging in a public relations exercise before they are forced to do it by legislation.

Extending its arms

The National Australia Bank now owns 80 per cent of the retail arm of GS JBWere.

Letter from Canberra, Book publishing 101

In the past few months, there has been much debate in the papers about the Productivity Commission's review of parallel import restrictions in the Australian book industry. Currently, local publishers get 30 days to sign and publish international books, of which competing editions cannot be imported from overseas publishers for sale here. Equally, an Australian writer published both here and overseas, will only have the Australian edition of his/her book sold in Australian bookstores. This is what is referred to as territorial copyright, and which is managed by parallel import restrictions: a ban on the importation of competing legitimate copyright books. The people who want the restrictions lifted are mainly big bookseller chains such as Dymocks, who argue that doing so will lower the price of books. On the weekend following the release of the Productivity Commission's report, *The Age* provided a good summary of the divisiveness of the issue: cheaper books or a diminished local industry? The commission has recommended the Government scrap territorial copyright protection for writers and publishers. Opponents, including **Tim Winton**, **Richard Flanagan**, **Peter Temple** and **Kate Grenville**, argue removing restrictions will damage the industry. Most people and groups in the against category, comprising writers, editors, small publishers and independent bookstores see the removal of

parallel import restrictions as harming their income and the country's literary culture, in what is a very tightly interlinked system. Authors earn less royalties for the sale of international copies of their books, small publishers will suffer markedly by losing first access to popular international works, a source of income that has allowed them to foster a healthy local literary scene, and by connection editors, designers and printers that work within this scene are at increased risk of losing their jobs.

Former Australian Competition and Consumer Commission chairman **Alan Fels** expressed an opposite view to the above writers on the opinion pages of the same paper (*The Age*). He wholeheartedly supported the Productivity Commission's report and the rights of long-suffering consumers, saying Australia needs a loftier debate about book prices. He writes that now that overcharging has been exposed, and the claimed benefits written off as small, it's time for the Government to end parallel import restrictions and encourage debate about the cultural benefits of wider reading through cheaper books. **Michael Heyward**, publisher at Text, in an article published just below Fels', wrote the Productivity Commission knows how much damage abolishing territorial copyright will do. Our industry will shrink. There will be fewer printers, fewer books printed in Australia, fewer books published. There will be fewer writers published. Those who are published will earn less money. There will be fewer editors, fewer independent publishers, fewer foreign rights sales. And there will be fewer booksellers to help a new **Tim Winton** or **Kate Grenville** find their readers. Much of the current debate sounds like special pleading for big retailers.

According to Victorian Premier, **John Brumby**, abolishing import restrictions on books would be economic and cultural vandalism. The Premier, often regarded as a pro-market economic rationalist, has criticised the Productivity Commission's call for an end to the protection of the local industry. Brumby is urging the Rudd Government to reject the commission's recommendation, despite some of the nation's biggest booksellers saying it would result in a big cut the price of books in Australia, which the commission says are 12 per cent dearer than in the US or Britain. Brumby fears scrapping the so-called parallel importation restrictions would hit Victoria particularly hard. He is especially concerned about the future of Maryborough-based printing company McPherson's Printing, which employs about 300 people. He also said ending protection to the local industry would pose a wider threat to Victoria's culture. 'We're the centre

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of literature and creativity in Australia,' Brumby said. 'That is why Melbourne was designated a City of Literature by UNESCO late last year – one of only three cities of literature in the world.'

Hmmm

A banknote company chaired by an assistant governor of the Reserve Bank of Australia paid a businessman who was under fraud investigation tens of thousands of dollars through an offshore tax haven account. The businessman, **Donald MacArthur**, who was convicted last year of corporate offences, worked in Africa as a lobbyist for banknote maker Securency. The RBA, which half-owns Securency, is refusing to explain if it approved the payments and what action it is taking in the face of continuing disclosures about its subsidiary's activities. MacArthur was implicated in South Africa's biggest corporate collapse 10 years ago. Last year, he pleaded guilty over several reckless and fraudulent company transactions.

Civil penalties are annoying

Business leaders fear a big increase in compliance costs as the Government moves to introduce new regulations imposing civil penalty provisions such as fines and disqualification orders on companies and executives. Corporate lawyers say there are already more than 70 federal laws that impose civil penalty provisions, while the penalties are set to be added in areas such as national consumer protection, credit and possibly share market integrity, the *Financial Review* reported.

Old father Hubbard

The Government's tax review appears increasingly likely to recommend charging motorists more to drive in peak hours, after a research paper found there would be considerable economic benefits. The paper on road pricing – written by Treasury officer **Paul Hubbard**, a member of the tax review secretariat – backed earlier comments by review chairman and Treasury Secretary **Ken Henry**, who has floated the idea of levying more user pay charges. Hubbard argues roads are an unpriced over-exploited resource, resulting in reduced productivity and growth and frustrated road users, the *Financial Review* reported.

Dirty words

The battle over bank fees is set to get going again with Parliament planning legislation banning fees that are deemed unfair. The draft bill now before the Senate economics legislation committee is expected to meet vigorous opposition from the banks, according to **Nicole Rich**, policy director of the Melbourne-based Consumer Action Law Centre, the *Herald Sun* reported.

Door open

Former reserve bank heads **Bernie Fraser** and **Ian MacFarlane** have emerged as potential candidates to head an inquiry into the financial system as Treasurer **Wayne Swan** played down the prospect of a 'people's bank'. But Swan left the door open for an inquiry of the kind being pushed by six leading economists (see above), *The Age* reported. However, the *Financial Review* reported that Swan ruled out a systemic review of the financial system and said a government-owned bank is not needed to boost competition.

Australian Competition and Consumer Commission chairman **Graeme Samuel** has foreshadowed a mini-financial system inquiry if another significant merger is proposed for the banking industry. He enlarged his rhetoric on the lack of competition in the sector, after the proposal from the six leading economists mentioned above.

Always be good to your mother

The financial planning industry stands to lose millions of dollars in fees after the Government agreed that superannuation funds could provide personal advice to their members for the first time, the *Financial Review* reported.

Saul on the road to Damascus

Saul Eslake, 51, well known for picking holes in Canberra's economic theories but also quick to praise where economics and good public policy meet, has stepped down as ANZ's chief economist, breaking a long-standing ANZ tradition that the bank's chief economist would move into top management ranks. An ability to break down complex economic issues for the ordinary person has been a major hallmark of Eslake's 14-year career at the bank.

Eslake will join the Grattan Institute as the Program Director for its Productivity Growth Program. The new think tank is aiming to shape the direction of debate on many of the important challenges facing Australia. It was set up with substantial support from the Commonwealth and Victorian Governments, University of Melbourne and BHP Billiton, www.grattaninstitute.edu.au.

That was quick

In mid-July, General Motors officially came out of bankruptcy court protection after just 40 days, although with a new ownership structure that leaves it 60.8 per cent owned by the US government, the *Financial Review* reported.

Charitable regime

The Australian Accounting Standards board was asked in late July to look at the disclosure requirements of not-for-profit private sector entities, including

promoting a new disclosure regime which provides transparent reporting that would allow donors and others to compare charities.

New root canal

Panama has moved ahead with a large expansion of its canal to keep trade between Asia and North America flowing through the waterway. It has revealed bids for the main contract in the \$US5.25b plan to widen the canal, clearing the way for one of the world's largest and most lucrative infrastructure projects. The almost certain winner of the project, led by Spain's Sacyr Vallehermoso and Italy's Impregilo, significantly undercut its rivals with a \$US3.2b bid to build new locks that will double the canal's capacity and accommodate a new generation of super size container ships, *The Age* reported.

Oily devils

The independent fuel market will disappear if supermarkets continue to offer heavy discounts, suppliers say. The warning came after the Australian Competition and Consumer Commission cleared Coles and Woolworths of any wrongdoing with three-day fuel discounts. ACCC petrol commissioner **Joe Dimasi** said Coles and Woolworths had not breached the trade practices act and independents could match the discounts, the *Herald Sun* reported.

When pigs fly...

Swine flu and the global recession made June the worst month for tourist arrivals in almost five years. Bureau of Statistics figures show 5 per cent fewer tourists landed in June than in May. Almost the entire fall was in tourists from China, Japan and New Zealand, *The Age* reported.

They're called chully-buns in NZ

A division of US firm Coleman Company has bought Esky from Nylex Ltd, which is in receivership, for an undisclosed sum.

Ok, this is getting serious now

A record 52 pubs are closing every week in Britain. The situation could get even worse due to the extra tax and regulatory burdens placed on the industry by the Government. Over the past year, 2,377 pubs closed. There are now 53,466 pubs in Britain, down from 58,600 in the year before the Licensing Act came into force in 2003.

DEFENCE

Vale

Private **Benjamin Ranaudo**, 22, became the 11th Australian to be killed in Afghanistan.

Iraq/Afghanistan Letter from Canberra 101

The Australian government is following closely the consensus game plan, being stressed by the US and our European allies, to minimise its military presence in Iraq in favour of beefing up its military commitment to Afghanistan.

It is a choice which reflects the contention that Afghanistan is the centre of most global Islamic terrorism and that it is better to confront it there than on one's own soil. Except for a minimal deployment of approximately 100 service personnel, mainly to protect Australia's ambassador **Rob Tyson** and his team, our combat presence there has come to an end.

As for Afghanistan, although **Kevin Rudd** believes this is the theatre of priority in the fight against terrorism, there are a growing number of voices that maintain that the present strategy is doomed to failure. An eloquent and well-informed spokesman for this pessimistic view is Harvard Professor **Rory Stewart**, a former British diplomat with experience in Iraq and Afghanistan. In an interview with ABC's Lateline (July 29), he argued that given the extreme tribalism and antipathy to any outsiders, the prospect of some kind of military victory in Afghanistan is close to zero. He supported the need for training and education but felt that the country that must not be allowed to fail is neighbouring Pakistan, a nuclear power and widely believed to be the current abode of **Osama bin Laden**.

Addition

The last Australian troops serving with US units have finished their mission and heading home, formally ending Canberra's six-year involvement in the conflict. No Australian soldier was killed in action but one, Private **Jake Kovko**, died from a self-inflicted wound. Under an agreement between Canberra and the Iraqi

government all Australian troops except those dealing with an embassy-based security detachment had to be withdrawn by July 31.

Sinking ships

The system to safeguard Australia's ports from terrorism and other security threats is failing, according to a confidential report that calls for more maritime workers to be barred from security-sensitive areas. *The Age* believes the report, prepared by consultants GHD in behalf of the Office of Transport Security, has documented serious weaknesses in the security card scheme and recommends an overhaul. A spokesman for Transport Minister **Anthony Albanese** said the report's recommendations were under consideration but refused to release them.

Don't want a conflict in this department

The Department of Defence's chief information officer group will hire specialist probity advisers and auditors to stamp out potential conflicts of interest between suppliers and staff, as it tries to carve \$468m in savings from information technology procurement by 2013. Poor coordination of its technology procurement has been criticised repeatedly over the past four years through a series of departmental reviews that have blamed ongoing software compatibility problems on poor ad hoc purchasing decisions. The department plans to cull its technology supplier base to bring wayward projects under control, the *Financial Review* reported.

Keating!

Paul Keating challenged a central part of the Defence White Paper's 20-year military blueprint, warning the Government has taken too defensive a stance in response to China's rise in the Asia-Pacific region, *The Age* reported.

Combat back where he belongs

Defence Materiel Minister **Greg Combet** wants prime defence contractors to sign up to a national initiative to boost local industry involvement in onshore and offshore military projects. The move comes just as the main body representing Australia's small defence businesses, and the Opposition, warned that the Government has yet to convince local industry that a preference for off-the-shelf and offshore weapons purchases will not become entrenched. The concern



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is that the defence White Paper and equipment procurement reforms could do this to the detriment of local industry, the *Financial Review* reported.

Hmmm

The Royal Australian Navy has confirmed that four sailors were sent home to Australia from Singapore following allegations they held a contest to have sex with female workmates – with cash prizes up for grabs, *The Age* reported.

JUSTICE

Human rights are eternal

Attorney-General **Robert McClelland** granted a one-month extension to the committee charged with investigating how to promote and protect human rights. The National Human Rights Consultation Committee, chaired by Father **Frank Brennan**, must now report to government on September 30, the *Financial Review* reported. There are considering whether Australia should have a charter of rights.

Revelations

On the opinion pages of *The Age*, **George Williams**, the Anthony Mason professor of law at the University of New South Wales, wrote that the challenge to the \$900 bonus payment was brought by **Brian Pape**, a constitutional law academic at the University of New England. The High Court ordered in early April that the federal stimulus payment was valid under the Constitution. However, the court did not then deliver its reasons and much remained unresolved. The 230 pages of judgements delivered in early July showed that the Commonwealth won a pyrrhic victory. Although the tax bonuses are valid, other federal payments have been cast into doubt. In a landmark decision, the High Court rejected the Commonwealth's unrestrained view of its own spending power. Even when it came to the tax bonus, the Government secured only the narrowest of wins, with the court finding by 4 to 3 that the bonus was valid. The case calls into question the legality not only of many current Commonwealth payments, but also of billions of dollars already spent. The Commonwealth will need to undertake an audit of its expenditure. Suspect payments will include local government infrastructure funding and payments to the arts and even to the community and elite sport. The High Court decision means that these and other areas might not be directly funded by the Commonwealth. Such payments may in the future need to be made by the states using federal money. This is permitted by section 96 of the Constitution, which provides that the Federal Parliament 'may grant financial assistance to any state on such terms and conditions as the Parliament thinks fit'.

Apposite name

Organised crime groups have penetrated the private security industry, with some using their access to move drugs, launder money or run standover rackets. Australian Crime Commission chief executive **John Lawler** said a two-year investigation had revealed a range of criminal practices, from visa and labour exploitation to organised theft, *The Australian* reported.

Mules

Police have identified more than 100 Melbourne-based drug couriers smuggling heroin from Vietnam for seven major crime syndicates. Drug task force head Detective Inspector **Doug Fryer** issued a public warning to the drug suspects that they face certain arrest – and possibly the death penalty (in Vietnam) – if they continue, *The Age* reported.

Naturally

News International faces three fresh inquiries into the conduct of its journalists and executives following the disclosures that **Rupert Murdoch's** newspapers in the UK paid £1m to keep secret the use of criminal methods to get stories, *The Age* reported.

Difficult area

The Family Court position on giving children equal time with both parents will be reviewed. A spokesman for Attorney-General **Robert McClelland** said the government would consider the shared care requirements as part of a review of the Family Law Act.

Finished

Former Australian Trade Commissioner, Melbourne-based **John Finnin**, was remanded by the Victorian County Court to sentencing after he was found guilty of child sex charges. He resigned from Austrade in May 2006.

MANUFACTURING

Carrot or stick?

Federal and state leaders called for a fresh study on whether to introduce mandatory carbon emission standards for new cars or to retain the existing system where car makers set their own voluntary standards. The Council of Australian Governments also decided yesterday to ask Treasury Secretary **Ken Henry** to report on ways of providing financial incentives for motorists to buy low-emission cars through reduced stamp duties and/or registration charges for better performing vehicles, *The Age* reported.

We can be Saudi Arabia if we put our minds to it

The promoters of the US electric car network are looking to tap wealthy people to help fund the initial stages of their planned \$1b rollout in Australia. Better

Place founder and chief executive officer **Shai Agassi** has earmarked Australia as the third country behind Israel and Denmark for his plan to replace petrol powered cars with electric vehicles. Agassi argued in the Alfred Deakin lecture in Melbourne that Australia could choose to combine raw materials such as lithium to tap into a burgeoning market for batteries and become the Saudi Arabia for electric cars, the *Financial Review* reported. Better Place will start its Australian operations in Canberra and the company will start building infrastructure to support several hundred electric cars in the national capital in 2011. The infrastructure includes charge spots in homes, offices and car parks and drive through swap stations for lithium-ion batteries. The swap stations will be modelled on petrol stations.

Roving drummers

Former Victorian Premier **Steve Bracks** and former Toyota Australia chief **John Conomos** are to act as roving international ambassadors to help drum up work for the Australian automotive sector. Helping component suppliers gain access to international supply chains will be a key part of their brief. Bracks will concentrate on the US, while Conomos will focus on North Asia, particularly China. The Government has appointed the men under the automotive market access program, which forms part of the Government's \$6.2 billion green car plan.

EDUCATION

Transparency agenda

Education expert **Barry McGaw**, the man chosen by education ministers to develop a new online report card detailing resources and results of each school, admits that the project could be damaging if schools are unfairly ranked through league tables. The change is part of Education Minister **Julia Gillard's** 'transparency agenda', in which all schools must disclose more information on their fees, finances and results as a condition of federal funding, *The Age* reported.

More skills

Midyear application to universities have surged by as much as 60 per cent as students look to do degrees in a bid to lift their appeal to employers in a tight labour market, the *Financial Review* reported.

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Sticking it to them with their own red tape

Berwick Lodge primary school principal **Henry Grossek**, who blew the whistle on bungling within the Government's \$14.7b Building the Education Revolution Program, has got his way. Initially his school was allocated \$3m to build a second gym it did not want or need (the school already has one), but the school was told to accept the gym or lose its share of the money. Grossek obtained an independent valuation that put its cost at \$1.65 million and told state officials the school wanted a library and some classrooms to the full value of the grant, which they have now been given following the exposure of the story in the media, *The Australian* reported.

Topsy-turvy world

Universities are facing a financial crisis triggered by the faltering \$15.5b market for international students, the loss of millions of dollars in investment income and the axing of a full fee program for domestic students worth more than \$116m, *The Australian* reported.

Yes ministers

The Minister for Education, **Julia Gillard**, and Minister for Innovation, Industry, Science and Research, **Kim Carr**, announced that universities may now bid for a share of \$550m in funding to improve infrastructure for the benefit of students and the environment. The investment is part of the Government's Nation Building program designed to create jobs and deliver infrastructure for the future.

Do a Colombo

Scholarships worth scores of millions of dollars should be rolled into a Colombo plan mark II to recalibrate Australia's relations with overseas students and address critical regional, environmental and security issues, James Cook University vice-chancellor **Sandra Harding** said. As an Australian education delegation arrived in India to quell fears over student safety, she called for a resurrection of the 1950s aid program that created enormous goodwill among a generation of former overseas students educated in Australia. She believes a Colombo plan mark II would once again ensure the people in our region have access to higher education in Australia on that very successful past model, *The Australian* reported.

Schoolyard bullies

On the opinion pages of *The Australian*, for which he writes regularly, former New South Wales Treasurer **Michael Costa** wrote education unions do more damage to the economy than thugs on building sites. **Julia Gillard** must be vigorously supported in her attempts to revitalise the sector through reform.

AGRICULTURE & WATER

Useful

Almost half the water entitlements purchased under the national Murray-Darling rescue plan last financial year will never reach the distressed Murray system except in times of flood. New figures reveal the Government made New South Wales's Lachlan, Gwydir and Macquarie catchments the top targets for its buyback program in 2008-09, despite the fact they all terminate in wetlands. About 182,000 of the 397,000 megalitres of water entitlements bought across the basin last financial year are now confined

to catchments that rarely flow to the main Murray system, which has been devastated by drought and over extraction. New South Wales Irrigators Council chief executive **Andrew Gregson** said there seemed to be no logic to Canberra's cheaper and less reliable water entitlements in unconnected catchment areas, *The Australian* reported.

Envy of the world

The *Financial Review's* **Ben Woodhead** wrote that when it comes to efforts to improve the management of scarce water resources, Australia is the envy of the world. One effort, headed by **Rob Vertessy**, is one of Australia's most ambitious environmental management projects, a bureau of meteorology-led initiative known as the Australian Water Resource Information System. The project aims to build a national database that will allow scientists, industry, government and the public to monitor water consumption in real time. The system will go live in January and the project has already earned its developers and proponents international plaudits and has ensured Australia will play a central role in developing standards and managing water data. Vertessy says that the incorporation of hydrologic forecasts will make a big difference.

More money, less water

Canberra put more than 10 times as much money into Murray-Darling buybacks in 2008-09 than a year earlier and breached its water purchase budget by almost half, despite underspends on water-saving infrastructure. The Government originally set aside \$170m in 2008-09 out of its 10-year \$3.1b buyback program to purchase water in the basin for the environment, despite opposition from irrigator groups that want to keep the water in production. The budget received a \$250m boost as a result of Government concessions to the Senate, before blowing out by another \$193m to \$612m, *The Australian* reported.

Sad

The Coorong wetland, made famous as the backdrop to the classic Australian film **Storm Boy**, has undergone a fundamental change according to one of the most extensive research project conducted in the region. The three-year study, led by the CSIRO, found the most remote southern lagoons are now experiencing extreme-hyper-salinity, with water between four and six times saltier than seawater. Traditional freshwater plants, fish and birds – including the trademark Pelican – are being replaced by a smaller number of salt tolerant species as a result of record low flows in the Murray River. The findings will add to political heat around the reform of the Murray-Darling River system, with the report nominating the removal of water from the system as a key factor in the Coorong's deterioration, *The Age* reported.

Back to the future

The Australian wool industry has dropped a longstanding pledge to phase out mulesing by 2010, a move that has outraged animal welfare groups and led to criticism by some farmers. The industry's research and marketing body, Australian Wool Innovation, released a statement backing away from the 2010 commitment, saying it had adopted a new flystrike prevention policy instead, *The Age* reported.

Bouncing down

Australians could soon be urged to eat kangaroo as kangaroo meat businesses look for a lifeline after their main export market collapsed. Russia, which buys 70 per cent of Australian kangaroo meat, has suspended buying it as part of blacklisting meat imports from 30 countries because of quarantine concerns.

Cored

The chief executive of the Australian Centre for International Agricultural Research, **Peter Core**, is retiring after a distinguished 36-year career. He was one of the six department secretaries to be sacked by **John Howard** in the 1996 'night of the long knives'. He returned in various roles, most recently heading the ACIAR for seven years. He is replaced by **Nick Austin**, executive director of agriculture, biosecurity and mine safety in the New South Wales Department of Primary Industries, and a non-executive director of Land and Water Australia, the *Financial Review* reported.

New Study

The Australian Government has asked the Productivity Commission to undertake a study into alternative market mechanisms for recovering water in the Murray-Darling Basin. The Commission is to report in January 2010, www.pc.gov.au/projects/study/water-recovery.

IMMIGRATION

Numbers leavened with humanity

On the opinion pages of *The Australian*, editor at large **Paul Kelly** wrote that the Rudd government's softly, softly approach to asylum seekers is attuned to global realities and could best be labelled as strong border protection leavened with humanity. He writes that what happened during the Howard period is that Australia's policy, its refugee processing and its detention system, was overwhelmed by numbers. In this business, numbers dictate results. They determine the public mood and make and break policy. Rudd is about to discover such realities. His stance has so far been a success because the numbers are still manageable. Kelly also notes that each successful Australian operation to manage boat people has relied upon regional cooperation.

SOCIETY

Big news

The editor of *Letter from Melbourne/Canberra* has gone on Facebook, attracting some interesting friends and contacts.

Promotion

The Church of England will offer a combined wedding and baptism service as couples in Britain increasingly have children out of wedlock, *The Age* reported.

O dear

Radio personalities **Kyle Sandilands** and **Jackie O** were taken off air by Austereo management four days after a stunt in which a 14-year-old girl was attached to a lie detector machine and questioned about her sex life, in which she confessed to being raped at age 12.

COALITION DOINGS

Stop press

As we go to press, *The Australian* reports that Liberal MPs are considering replacing **Malcolm Turnbull** with **Andrew Robb** for the next election, in the wake of the Opposition leader's disastrous calls for **Kevin Rudd** to resign over allegations of impropriety over the OzCar affair.

Young achiever

Peter Costello is set to endorse **Kelly O'Dwyer**, 32, who worked for him from 2004 to 2007 as a legal adviser, for his blue-ribbon seat of Higgins. O'Dwyer is a senior executive with National Australia Bank. Former Victorian Liberal director **Julian Sheeziel** has decided not to stand. The executive director of the Institute of Public Affairs, **John Roskam**, who had indicated he wanted to run, has now said he will not. Wealthy Toorak businessman **Andrew Abercrombie** is nominating for the seat.

The Tonies

Tony Abbott and **Tony Smith** dismissed reports that the Liberal Party is considering the pair as possible alternatives to lead the party to the next election if **Malcolm Turnbull** fails to bounce back after a bad slump in the opinion polls. Despite an opinion poll in July showing just 16 per cent of voters prefer to have Malcolm Turnbull rather than **Kevin Rudd** as Prime Minister, the Opposition leader is confident of fighting and winning the next election.

Haven't you gone yet?

Peter Costello has called for a wider release of a confidential Liberal Party report on the defeat of the Howard Government in the 2007 election. Liberal MPs backed his criticism that the party has not yet released its findings into the 2007 election defeat, the *Financial Review* reported.

Mr Popularity

Former prime minister **John Howard** gave a lecture on his opinion of the media coverage during his reign as PM, at Carlton's Basement Theatre on August 4. He might not be in power anymore, but is still popular.

The event was booked out well before August 4. Howard has delivered draft chapters of his memoirs to publisher HarperCollins, which hopes to have the book in the stores by November 2010.

More marriage, less love

The Age reported that **Tony Abbott** is planning to unveil a plan to strengthen the institution of marriage as he ramps up a campaign to bring the doctrine of conservatism back to the mainstream of Liberal party politics. Nearby, one of the ideas Abbott proposes in his new book *Battlegrounds* is to radically reframe the constitution to allow the commonwealth to overrule the states. *Letter from Canberra* attended the launch of the book at a Melbourne Press Club event, where Abbott spoke engagingly about the need to address health and education, the potential for the nation of universal family benefits and, as alluded to above, the need to fix a dysfunctional federation.

Vale

Liberal backbencher **Danna Vale** will retire from Parliament at next year's election. She won the seat of Hughes, in New South Wales, in 1996, after previously working as a lawyer. She was the Minister for Veterans Affairs in the previous coalition government, November 2001 to October 2004, *The Age* reported.

APPOINTMENTS, JOBS AND TENDERS

Appointments

Kevin Stevenson became Australian Accounting Standards Board Chairman. He is a past executive director of the body. **John Morschel** will succeed ANZ bank chairman **Charles Goode** after its board activated a backup plan following **Sir Rod Eddington's** formal withdrawal of his nomination. The run for the chairmanship of BHP Billiton is between **John Schubert** and **Jaques Nasser**, with Nasser winning the secret ballot of the 14-strong BHP board to replace **Don Argus** as chairman of the world's biggest resources group. Habitat for Humanity named **Jo Brennan** as its new chief executive.

Jobs

The **Australian Press Council** seeks a policy and research officer for a permanent part-time position in the council's Sydney office, info@presscouncil.org.au.

Crisis Support Services, CSS, is Australia's leading professional counselling service and counselling training provider. Its services include Mensline Australia, SuicideLine Victoria, beyondblue Infoline, and Veterans Line. CSS is staffed by a team of professionally qualified counsellors. It seeks chief executive officer, select@ckh.com.au.

Horticulture Australia Limited, a national research, development and marketing organisation, seeks non-executive directors, f.levan@stantonchase.com.

Bass Metals seeks a General Manager Operations for a mining project in Tasmania, apply@pennock.com.au.

Tenders

The **Department of Agriculture, Fisheries and Forestry** seeks expressions of interest for funding under the \$5m Forest Industries Climate Change Research Fund, www.daff.gov.au/ficcrf.

The **Department of Health and Ageing** calls for applications for its National Binge Drinking Strategy Community Level Initiative second funding round, www.health.gov.au/tenders.

The **Department of Resources, Energy and Tourism** requests submissions for its Solar Flagships program, which provides \$1.5b to support the construction and demonstration of up to four large-scale solar power stations in Australia, www.ret.gov.au.

Inquiries

The **Department of the Environment, Water, Heritage and the Arts** released a discussion paper, *Draft National Waste Policy Framework – Less Waste More Resources*, www.environment.com.au/wastepolicy.


The **Department of the Senate** is conducting an inquiry into rural and regional access to secondary and tertiary education opportunities, www.aph.gov.au/senate_rrat.

The **Department of Health and Ageing** is conducting a consultation on Health Care Identifiers and Privacy: Proposals for Legislative Support, ehealth@health.gov.au.

The **Department of Health and Ageing** requests submissions – Review of the Operation of the Aged Care Complaints Investigation Scheme, www.health.gov.au/oacqc.



The **Education, Employment and Workplace Relations References Committee** is examining the roles and responsibilities of government, education authorities and others in ensuring the welfare of international students, www.aph.gov.au/Senate/committee/eet_ctte/index.htm.

The **Senate Standing Committee on Environment, Communications and the Arts** is inquiring into the Telecommunications Legislation Amendment (National Broadband Network Measures No. 1) Bill 2009, to consider the scope of requirements, powers conferred and whether confidentiality provisions are adequate to ensure privacy protections, www.aph.gov.au/Senate/committee/eca_ctte/index.htm.




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